

UNITED STATES DISTRICT COURT

for the

Northern District of California

FILED

Nov 16 2020

SUSAN Y. SOONG
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO

United States of America

v.

TEO MAGANA-SANCHEZ

Case No. 3-20-71640 MAG

*Defendant(s)***CRIMINAL COMPLAINT**

I, the complainant in this case, state that the following is true to the best of my knowledge and belief.

On or about the date(s) of at least 4/7/2020 to 4/8/2020 in the county of San Mateo in the
Northern District of California, the defendant(s) violated:*Code Section*

21 U.S.C. §§ 841(a)(1), (b)(1)(C)

Offense Description

Possession of cocaine with the intent to distribute and distribution of cocaine

Maximum Penalties: 20 years in prison, \$1 million fine, at least 3 years supervised release up to lifetime supervised release, \$100 special assessment, and potential deportation.

This criminal complaint is based on these facts:

See attached affidavit of DEA Special Agent Kevin Li incorporated by reference

☒ Continued on the attached sheet.Approved as to form: /s/ Thomas Colthurst
AUSA Colthurst

/s/ Kevin Li

Complainant's signature

Kevin Li, DEA Special Agent

Printed name and title

Sworn to before me by telephone.

Date: 11/13/2020City and state: San Francisco, CA*Judge's signature*

Hon. Jacqueline Scott Corley, US Magistrate Judge

Printed name and title

AFFIDAVIT IN SUPPORT OF AN APPLICATION FOR COMPLAINT

I, Kevin Li, a Special Agent with the Drug Enforcement Administration (DEA), being duly sworn, state:

INTRODUCTION

1. I make this affidavit in support of an application under Rule 4 of the Federal Rules of Criminal Procedure for a criminal complaint and arrest warrant authorizing the arrest of Teo Magana-Sanchez (hereafter “Magana”) for violating 21 U.S.C. §§ 841(a)(1) and (b)(1)(C) (possession of cocaine with the intent to distribute and distribution of cocaine).

SOURCES OF INFORMATION

2. This affidavit is submitted for the limited purpose of securing a criminal complaint and arrest warrant. I have not included every fact known to me concerning this investigation. Instead, I have set forth only the facts necessary to establish probable cause that violations of the federal laws identified above have occurred. In addition, not every individual who could be charged based on the underlying facts is being charged in this complaint. Those persons who are not being charged at this point are identified by labels other than their true names.

3. I am familiar with the facts set forth in this Affidavit from my personal observations and inquiries, observations and investigations by other law enforcement officers and/or analysts as related to me in conversation and/or through written reports, and/or from records and/or documents and/or other evidence obtained as a result of this and related investigations. I have also obtained such information from records, documents, and other evidence obtained in this investigation. Unless otherwise indicated herein, I believe the information provided to me by others is reliable. In those instances, wherein I assert an opinion or belief with respect to the facts alleged herein, that opinion or belief is based upon my training and experience as set forth previously herein, along with my knowledge of this investigation and any other specific factors I offer in connection with a particular assertion.

AFFIANT BACKGROUND

4. I am a Special Agent with the United States Department of Justice, Drug Enforcement Administration (“DEA”), and have been so employed since March 2016. I am currently assigned to the San Francisco Division at the San Jose Resident Office in California. I am an “investigative or law enforcement officer of the United States” within the meaning of Title 18, United States Code, Section 2510(7), that is, an officer of the United States who is empowered by law to conduct investigations of, and to make arrests for, offenses enumerated in Title 18, United States Code, Section 2516.

5. I have successfully completed a nineteen-week DEA Basic Agent Training Academy at the DEA Academy in Quantico, Virginia. This training included instruction in the investigation of federal drug violations, including, but not limited to Title 21, United States Code Sections 841 and 846. Additionally, this training included several hundred hours of comprehensive, formalized instruction in, but not limited to, narcotics investigations, drug identification, detection, interdiction, financial investigations and money laundering, identification and seizure of drug related assets, undercover operations, and electronic and physical surveillance procedures.

6. During the course of my employment, I have participated in several narcotics and financial investigations. I have debriefed defendants, confidential sources, and witnesses who had personal knowledge regarding narcotics trafficking organizations. In addition, I have discussed with numerous law enforcement officers, and confidential sources, the methods and practices used by narcotics traffickers. I also have participated in many aspects of drug and financial investigations including, but not limited to, undercover operations, telephone toll analysis, records research, and physical and electronic surveillance. Moreover, I have assisted

on the execution of several federal and state search and arrest warrants that resulted in the arrest of suspects and seizure of narcotics and assets.

7. I have conducted and been involved in numerous narcotics, firearms, and financial investigations regarding the unlawful manufacture, possession, distribution, and transportation of controlled substances, as well as related money laundering statutes involving the proceeds of specified unlawful activities and conspiracies associated with criminal narcotics, in violation of Title 21, United States Code, Sections 841(a)(1), 841(c)(2), 843, and 846 and the State of California Health and Safety Code. I have also participated in several investigations involving violations of Title 18, United State Code, Sections 924(c), the possession or use of firearms in furtherance of drug trafficking offenses. I am familiar with the methods in which drug traffickers resort to violence and firearms to facilitate drug trafficking and provide security for their operations.

8. I have participated in several Organized Crime Drug Enforcement Task Force (OCDETF) investigations. The OCDETF program is part of the United States Attorney General's strategy to reduce the availability of drugs by disrupting major trafficking organizations through joint collaborations across agencies. I have monitored, supervised, conducted surveillance, or otherwise participated in numerous investigations that utilized electronic and/or wire interceptions. I have participated in writing, editing, and reviewing federal affidavits made in support of wire and electronic interceptions. Also, I have become familiar with narcotics traffickers' methods of operation, including, but not limited to, the manufacturing, distribution, storage, and transportation of narcotics, and the methods used by drug traffickers to collect, transport, safeguard, remit, and/or launder drug proceeds.

9. I have been the affiant on at least six Federal wiretaps and have spent several hours listening to Spanish language calls and interpreting coded communications from Spanish language calls that have been translated into English. By virtue of my experience with these coded conversations, I have become familiar with terms in the Spanish language that Mexican drug traffickers often use to refer to narcotics products, packaging, and methods of concealment.

10. Through my training, education, experience, and my conversations with other agents and officers who conduct drug investigations, I have become familiar with narcotics traffickers' use of mobile telephones, and their use of numerical codes and code words to conduct their business. Also, I have become familiar with narcotics traffickers' methods of operation, including, but not limited to, the manufacturing, distribution, storage, and transportation of narcotics, and the methods used by drug traffickers to collect, transport, safeguard, remit, and/or launder drug proceeds.

APPLICABLE STATUTES

11. Pursuant to Title 21, United States Code, Section 841(a)(1), it is unlawful for any person knowingly and intentionally to manufacture, distribute, or dispense, or possess with intent to manufacture, distribute, or dispense, a controlled substance.

FACTS SUPPORTING PROBABLE CAUSE

Overview of Investigation

12. The Drug Enforcement Administration (DEA), partnered with other agencies, has been investigating a Bay Area methamphetamine trafficker named Teo Magana-Sanchez ("Magana") (among others), using court-authorized federal wiretaps and physical and electronic surveillance.

13. During a court-authorized wiretap of one of Magana's drug customers (hereafter

referred to as “Customer-1”), agents learned that on or about April 8, 2020, Magana provided Customer-1 with approximately 2 ounces of cocaine, some of which was later re-sold to a downstream customer, “Customer-2.” Customer-2 was arrested by the Redwood City Police Department, following a deal between Customer-1 and Customer-2, and found to be in possession of some of the cocaine that had been sold to Customer-1 by Magana.

Cocaine Trafficking Conspiracy by Members of the Magana DTO in Northern California

14. In March 2020, the DEA obtained a court-authorized wiretap of a mid-level cocaine, methamphetamine, heroin, and fentanyl distributor, Customer-1. During the course of the wiretap of Customer-1, agents learned that Customer-1 was seeking to obtain a re-supply of narcotics from a supplier later identified as Teo Magana-Sanchez (hereafter referred to as “Magana”).

15. On April 7, 2020, the DEA intercepted a coded telephone call between Customer-1 and Magana using the telephone number (650) 921-4212, discussing the future availability of “shirts” and “water”. The following are pertinent portions of their call translated from Spanish into English:

Magana: “Oh, well they told me of one that like at 12 or at 1, and of the other at 7.”

Customer-1: “Which? The one of the T-Shirts?”

Magana: “Yea.”

Customer-1: “Oh and the one of the water later or tomorrow.”

Magana: “Until 7, no at 7.”

Customer-1: “Well when you have something, tell me the numbers to see if we should work.”

16. Following this call, at approximately 1:04 p.m., the DEA intercepted a picture message from Magana to Customer-1, accompanied with text, which translates from Spanish into English, as: “As soon as you see it, erase it.”



Figure 1. Picture Message sent to Customer-1 from Magana

17. Customer-1 then replied to Magana asking: “What number are those going for.”

18. Following the text exchange, Customer-1 and Magana exchanged a voice call at approximately 7:01 p.m., discussing the sale of the product in the picture. The following are pertinent portions of their call translated from Spanish into English:

Customer-1: “Hey do you have something there of that?”

Magana: "What?"

Customer-1: "One twenty five. It would be like four and a half."

Magana: "Oh well I just grabbed a few dude...Yea I can give you three only."

Customer-1: "Umm so then how much for two? Nine and nine?"

Magana: "No dude, nine and nine is not enough for me. I paid more dude, for real."

Customer-1: "Eighteen and a half for two?"

[Non pertinent portions skipped.]

Magana: "Oh alright that is fine."

Customer-1: "But when, tomorrow morning or what time?"

Magana: "If you want tomorrow morning."

19. Based on the contents of the call discussed, agents believe that Customer-1 was likely obtaining 2 units of the white powdery product that was pictured in the previous Multimedia Message from Magana. Agents believe that, based on the call, the initial suggestion of "9" and "9," suggested that Customer-1 was willing to pay \$900 per unit. It appeared, based on the call however, that Magana believed \$900 was too low of a price, and the two ultimately decided on the price of \$1,850 for the two units. Based on my training and experience, I believe that the price of \$1,850 for 2 units was consistent with the range of ounce-quantity cocaine prices in the Northern California Bay Area during the April 2020 timeframe. As such, I believe that Magana was offering to sell Customer-1 two ounces of cocaine.

20. Following the call with Magana, the DEA intercepted a call between Customer-1 and one of Customer-1's drug customers, the user of the telephone number 650-868-3695, "Customer-2." During the call, Customer-1 told Customer-2 in sum and substance that the product he currently had was of bad quality, but he would be seeing a "friend" the following

day in the afternoon. Customer-1 told Customer-2 he would call once he had the product from his “friend.”

21. On April 8, 2020, the following day, at approximately 1:12 p.m., Customer-1 and Magana exchanged further communications about the pending deal for the 2 units. The two agreed to meet at a store near Hayward, California.

22. In anticipation of this deal, agents established surveillance of Customer-1 and followed Customer-1 to the “El Super” located at 32575 Mission Boulevard, Hayward, California. At approximately 1:43 p.m., agents saw a white Honda Accord with CA license plate “8PBZ990,” registered to “Teo Magana at 1949 Cooley Ave., East Palo Alto, CA” arrive at the supermarket.

23. Agents saw Customer-1 walk out from the supermarket and get in to the Honda to meet with the driver of the Honda accord. Agents recognized the driver as Teo Magana-Sanchez based on previous surveillance in the case. The two met briefly in the parking lot of the supermarket, before Customer-1 exited the vehicle and returned to the supermarket. Agents maintained surveillance of the Honda, and followed the vehicle to East Palo Alto, where a ruse call was made to the telephone number 650-921-4212. At that time, agents observed Magana pick up the phone to answer the ruse call.

24. Based on the totality of the circumstances, agents believe that Magana was in fact the user of phone number 650-921-4212 at the time of the deal with Customer-1 and had likely supplied Customer-1 with 2 units of the white powdery substance.

25. The DEA later learned what the white powdery substance was based on later intercepted calls discussing the “new product.” Following the meeting with Magana, at approximately 1:56 p.m., Customer-1 contacted Customer-2 to let him know he had obtained the

product. The following are pertinent portions of their call. Portions of the call that occurred in Spanish have been translated from Spanish into English:

Customer-1: "I got it yea good."

Customer-2: "Ok, ok, ok."

Customer-1: "How much you got?"

Customer-2: "Uh maybe three hundred."

Customer-1: "Three hundred is six for five."

Customer-2: "Six."

Customer-1: "Six what?"

Customer-2: "Six grams."

Customer-1: "No it's sixty dollars."

Customer-1: "You want this? Or the new one?"

Customer-2: "New one..."

Customer-1: "Dumbass it is sixty dollars each."

Customer-2: "Where?"

Customer-1: "Same place, the taco bell, oh no the fire department."

Customer-2: "The fire department."

26. Based on the contents of the call, it appears that following the re-supply with Magana, Customer-1 offered the new product to Customer-2, agreeing to sell 5 units at \$60 each. The two agreed to meet at the "fire department", which agents are familiar with as a commonly used deal location for Customer-1 near Hayward, California.

27. At approximately 3:10 p.m. that same day, Customer-1 and Customer-2 spoke again by phone to coordinate their meeting. During the call, Customer-2 told Customer-1 he was in a “Mercedes”.

28. Agents established surveillance along the Dumbarton Bridge, anticipating Customer-2’s return to the Peninsula side of the Northern California Bay Area. At approximately 3:30 p.m., agents saw a silver Mercedes SUV driving westbound on the Dumbarton Bridge, with Customer-2 yelling out the window at a nearby vehicle in an apparent bout of road rage.

29. Customer-2 was later traffic stopped by officers from the Redwood City Police Department and found to be in possession of two individually packaged baggies containing a white powdery substance with a gross weight of approximately 46 grams. This powdery substance was later tested with a RAMAN spectrophotometer and tested presumptively positive for the presence of cocaine.

30. Based on the totality of the circumstances, I believe that Magana, a cocaine source of supply to Customer-1, sold approximately \$1,850 worth of cocaine to Customer-1. This cocaine was then broken down and individually packaged for street-level retail sale to Customer-2. I believe based on Customer-1’s discussion with Customer-2 about giving Customer-2 the “new one”, Customer-1 was referring to the product that was recently obtained from Magana.

CONCLUSION

31. On the basis of my participation in this investigation and the information summarized above, there is probable cause to believe that the defendant has violated 21 U.S.C. §§ 841(a)(1) and (b)(1)(C) (possession of cocaine with the intent to distribute and distribution of cocaine). Therefore, I request that the Court issue a complaint charging the defendant with this violation.

32. Because this investigation is continuing, disclosure of the complaint, this affidavit, and/or this application and related attachments would jeopardize the progress of the investigation and potentially endanger the agents and confidential sources working on the investigation. It may also cause the defendant to flee and/or destroy evidence. Accordingly, I request that the Court seal the application, this affidavit, the complaint and the supporting papers, except that the Clerk of the Court be directed to provide copies of these documents to the United States Attorney's Office and/or the Drug Enforcement Administration for use in connection with this case.

I declare under penalty of perjury that the above is true and correct to the best of my knowledge.

/s/

KEVIN Y. LI
Special Agent
Drug Enforcement Administration

Sworn to before me over the telephone and signed by me pursuant to Fed. R. Crim. P 4.1 and 4(d) on this 13th day of November, 2020.



HON. JACQUELINE SCOTT CORLEY
United States Magistrate Judge